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SUBJECT: Poland's new Treasury Minister Resigns amid  
Corruption Allegations

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SUMMARY AND INTRODUCTION  
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**¶1.** (SBU) Begin Summary. On the evening of January 3, Prime Minister Marcinkiewicz accepted the resignation of Treasury Minister Andrzej Mikosz. Mikosz's resignation was forced by an article published in the daily "Rzeczpospolita" detailing a loan worth US \$300,000 which Mikosz's wife gave to an individual accused of shady dealings with a legendary gangster and of illegal transactions on the Warsaw Stock Exchange. The former minister failed to provide a convincing answer as to why his wife lent the money, but hinted that his resignation was the result of a massive assault triggered by his privatization plans, which he said put at risk the interests of some powerful players. PM Marcinkiewicz announced that he expects to name a new Treasury Minister within days. Rumors are also circulating that Minister of Labor and Social Policy Michalkiewicz and Minister of Finance Lubinska will also resign or be asked to leave. End Summary.

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Rzeczpospolita Accuses Mikosz's Wife of Questionable Loan  
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**¶2.** (U) According to an article in the daily Rzeczpospolita, reported on its front page on January 3, Krystyna Mikosz, the wife of Treasury minister Andrzej Mikosz, in 2002 lent US\$300,000 to the mother of Witold W., an investor who has had legal problems for over 10 years. (Note: In Poland, suspects' initials, rather than their surnames, are used to protect their innocence until found guilty. Post has been unable to determine the investor's surname. End note.) The funds were used by her son. During an interrogation in 2003, the woman said she had no idea where the money in her brokerage accounts came from. Witold W. was the financial advisor to the deceased gangster Nikodem Skotarczyk, known as "Nikos," and both are accused of money laundering. Witold W. is also accused of manipulating the share price of the company KOPEX, listed on the Warsaw Stock Exchange.

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Marcinkiewicz Consults with President Kaczynski  
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**¶3.** (U) PM Marcinkiewicz was reportedly reluctant to accept Mikosz's resignation, but accepted it late in the day after consulting with President Kaczynski. After accepting Mikosz's resignation the PM said that "not even the slightest shadow of doubt may hang over those who are to implement the master plan of cleaning up all areas of public life." Marcinkiewicz, in a TV interview, praised Mikosz for his work at the Ministry and stated that he plans to continue Mikosz's privatization strategy.

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Some Applaud while Others Bemoan Dismissal  
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**¶4.** (U) Opposition parties welcomed the resignation, with Civic Platform's (PO) Jan Rokita speculating that the Law and Justice (PiS) leadership wanted to dismiss the minister anyway. Rumors about Mikosz's dismissal began before Christmas, with one of the reasons cited being his objection to Unicredito taking over Bank BPH. (Note: Italian Bank Unicredito is merging its subsidiary Pekao SA with BPH in a deal that will create the largest bank in Poland. Mikosz publicly opposed the deal, alleging that Unicredito breached the Pekao privatization agreement. The deal has not been finalized and is awaiting Banking Supervision approval. Brokers believe the deal has a better chance of approval now that Mikosz is gone. End note.)

**15.** (U) Commentators are divided on Mikosz's dismissal. Some believe he had to go because of his murky contacts and extensive business experience, while others regret his dismissal, citing his technical expertise and liberal economic approach. Supporters noted that Mikosz was a minister with a vision and implementation plan, but was a technocrat and not a politician, which hampered his effectiveness. Mikosz's aggressive privatization plan, which included continuing privatizations in the energy sector, chemical sector, and coal industry, and his plans to settle the long-standing Eureko-PZU dispute, while supported by Marcinkiewicz, ran afoul of less market-oriented politicians. A number of influential PiS and LPR members publicly opposed Mikosz, including Jaroslaw Kaczynski, who stated that if he were heading the government, Mikosz would not be a part of it. According to Adam Szejnfeld (PO), Mikosz's privatization plan did not go far enough for PO, but went too far for the League of Polish Families (LPR). Szejnfeld opined that Mikosz's successor will have a more conservative approach to the market economy and privatization process.

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Speculation about New Minister  
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**16.** (U) PM Marcinkiewicz stated that he will name a new Minister of Treasury within a few days. The next minister will undoubtedly have a political background and support within PiS. There is speculation that Wojciech Jasinski (a PiS MP, head of the Sejm's public finance committee, and known to be a Kaczynski ally) will take Mikosz's place.

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Who's Next?  
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**17.** (U) Warsaw is rife with rumors that Mikosz is only the first minister to go. According to press reports, Minister of Labor and Social Policy Krzysztof Michalkiewicz plans to submit his resignation within days. Finance Minister Teresa Lubinska might be dismissed, but PM Marcinkiewicz refused to comment on this during yesterday's press conference. The rumor mill has PiS insider and Lubelskie region Voivod (governor) Adam Cichocki, tipped for Michalekiewicz's replacement, and former PO member and economic expert Zyta Gilowska named as Lubinska's replacement. Gilowska has denied the rumors.

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Comment  
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**18.** (SBU) Minister of Treasury Mikosz's forced resignation removes a technical expert with excellent economic and business credentials from the Marcinkiewicz cabinet, but it is too early to tell if this will hurt Marcinkiewicz politically. Mikosz's privatization plan, while less aggressive than some in Platforma would have liked, would have speeded up the process - Mikosz was widely quoted as saying that he wanted to be the last Minister of Treasury. While Marcinkiewicz's assertion that the government will follow Mikosz's plan is heartening, Post believes it unlikely that PiS will be able to implement the plan absent a new minister with stronger political support in PiS.

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